

Frequently Asked Questions Voluntary Early Retirement Authority (VERA)

1. What is VERA?

VERA is commonly referred to as early out retirement, and that's exactly what this authority does. It expands the normal retirement eligibility to allow employees to voluntarily retire, with an immediate annuity, before they would otherwise be eligible. There are some basic eligibility criteria under the law. You must also meet USDA criteria. An early retirement may have an effect on your annuity. The VERA is separate from the **Voluntary Separation Incentive Payment (VSIP)** also called the buyout authority. A VERA or VSIP are not dependent or contingent on the other. An agency can offer one and not the other.

2. Who is eligible for a VERA? If your agency has received approval for a VERA you must also meet some additional requirements. If you are covered by the Civil Service Retirement System (CSRS), you must have served in a position covered by the CSRS for at least 1 year out of the 2 years immediately before retirement. For employees covered by the Federal Employees Retirement System (FERS), this rule does not apply.

You must be at least 50 years of age with 20 years of service or have 25 years of service at any age. At least 5 years must be civilian service, whether you are retiring under CSRS or FERS. In addition, you:

- Must be in a position covered by the VERA granted by the Office of Personnel Management (OPM);
- Must not be serving under a time limited appointment;
- Must have been on the agency's rolls at least 30 days prior to the date of application to OPM for VERA approval;
- Must not have been notified that you will be involuntarily separated for misconduct or unacceptable performance; and
- Your retirement date must be on or before to the VERA expiration date.

3. Are trainees eligible for VERA? Under USDA early out plans, trainees and Presidential Management Fellows are excluded from a VERA. The definition of trainee is based on one that is used in the Reduction-in-Force (RIF) ground rules. :

Presidential Management Fellows and Fire Apprentices, regardless of the appointment authority they are hired under, are considered trainees and excluded from a VERA. Positions that are formally designated developmental (e.g., grades 5-7 entry level) will also be considered as trainees and excluded from a VERA if they meet the criteria under 5 CFR 351.703(e). Two-grade interval positions are generally developmental at the GS-5-7 level but must be reviewed to ensure that formal designation is appropriate. Only those employees that are on formally

designated detailed training career plans will be considered as trainees. Employees in developmental positions that do not have detailed career plans will be eligible for early out (provided they meet all other provisions of the plan). Student Career Experience Program (SCEP's) employees are no longer considered "formal trainees" once they have converted to career appointments.

5 CFR 351.703(e) states that a formally designated trainee or developmental positions must be in a training program that meets all of the following characteristics:

1. The program must be designed to meet the agency's need for the development of skilled personnel;
2. The training program must have been formally designated and announced to employees and supervisors;
3. The program must offer planned growth in duties and responsibilities providing advancement in recognized career progression; and
4. The program must be fully implemented with participants chosen through established selection procedures.

4. **Can I retire under VERA and also receive a VSIP?** Yes. If you meet the criteria for both, you can retire under VERA and also receive a VSIP if one is being offered by the agency.
5. **If I'm eligible for VERA, what rights and benefits would I be giving up to voluntarily retire rather than waiting to be separated involuntarily?** Because you would be leaving voluntarily you would be giving up:
 - Placement assistance;
 - Selection priority for federal employment under the Career Transition Assistance Program (CTAP) and Interagency Career Transition Assistance Programs (ICTAP). These programs give you selection priority for federal jobs in your area at your same or lower grade, if you apply for them and are well-qualified.
 - Unemployment benefits (depending on your State's rules);
 - If you come back to Federal employment, you would come back as a reemployed annuitant instead of an employee.
6. **If I retire under VERA and do not take the buyout, can I take a job in another Federal agency?** Yes; however, you will come back as a reemployed annuitant which generally means your annuity is subtracted from the salary you earn in the new position.
7. **What if my agency offers a VERA but I am on military duty during the authority time limit?** Employees on military duty are treated as though they were still on the job and are not disadvantaged because of their military service. Therefore, if you met the eligibility criteria during the offer period, you would have 30 days following your return to duty with USDA to either accept or reject an offer of VSIP or VERA.

- 8. What does a "time-limited appointment" mean?** An employee on an appointment with a time limit works only until a specified date and then goes off the rolls. The employing agency sets the ending date when it hires the individual and/or when it extends the appointment. For example, temporary and term employees serve with a time limit, so they are not eligible for an incentive payment or early out retirement. Career and career-conditional employees and permanent employees in the excepted service have no time limit so they may be eligible.
- 9. What does "continuous service" mean?** To be eligible for early retirement, you must have been on the rolls of the Department of Agriculture 30 days prior to the request for the VERA, with no breaks. Leave without pay (LWOP), permanent seasonal employment (PSE) off-tour time, and other non-pay status during an appointment are NOT considered breaks in service.
- 10. Leaving federal service under VERA is supposed to be voluntary. What if I am offered a VERA or VSIP but do not choose to leave?"** Buyouts and Early Retirement are for voluntary separations AND coercion is prohibited.
- 11. Does the VERA eligibility change the eligibility for regular optional retirement?** No. If you are under CSRS, you can take regular optional retirement if you are 55 with at least 30 years of service; age 60 with 20 years of service, or age 62 with 5 years of service. If you are under FERS, you can take regular optional retirement if you have reached your minimum retirement age (MRA) with at least 30 years of service; age 60 with 20 years of service, or age 62 with 5 years of service. In addition, an employee under FERS is eligible for an immediate annuity if he/she has 10 years of service and has reached the MRA. (Under this eligibility there is a 5 percent reduction for each year the employee is under age 62.) The MRA chart can be found at the following link: <http://www.opm.gov/retire/html/faqs/faq11.asp>. An employee under CSRS must meet the 1-out-of-last-2-years coverage requirement and all employees must have at least 5 years of civilian service.
- 12. What is the difference between VERA and discontinued service retirement (DSR)?**
The basic difference is simple. VERA is a voluntary separation. DSR is an involuntary separation. The differences between VERA and DSR benefits may seem subtle, but might be very important to you. It depends on what your personal plans and needs are. If there is a possibility that you will want to come back to work for any Federal agency, you should seek more detailed information from the Human Resources Operations Branch BEFORE you accept a VERA or VSIP offer!
- Generally, if your unique position is being abolished, or you refuse a directed reassignment to a position outside of your commuting area, or to a position that is more than two grade intervals below your current grade, or receive a letter of separation from the agency in a RIF, you would be eligible for an immediate annuity retirement under DSR rules if you meet the age and length of service requirements. The age and service requirements for DSR are the same as those for VERA. The key differences come into play when/if you ever return to work for the Federal government, e.g., as a VERA retiree, you would be a reemployed annuitant with the amount of your pay will be offset by the amount of your annuity. If you were covered under CSRS and you separated under a DSR, you would not

be considered an reemployed annuitant because your annuity will stop, so there would be no offset to pay. This does not apply to those covered under FERS.

13. I haven't been enrolled in the federal employees health benefits (FEHB) program for a full 5-year period and I accept a VERA, do I lose my FEHB? No, OPM has granted pre-approved waivers to employees who have been covered under the FEHB Program continuously since the beginning date of the agency's approved VERA and retire under the VERA.

14. I haven't been enrolled in the federal employees' life insurance (FGLI) program for a full 5-year period. Do I lose my life insurance when I retire under VERA? Most likely, yes, but you could be eligible under certain circumstances or you might be able to convert your coverage. You should ask your benefits specialist what your options will be.

15. If I take early retirement is my annuity reduced? CSRS employees who retire under the voluntary early retirement authority will have a reduction in their annuity of 2 percent per year for each year they are under age 55. (The reduction is 1/6 of 1 percent for each full month.) This is a permanent reduction in annuity.

- Employees with only FERS service will not have their annuities reduced under voluntary early retirement. FERS employees retiring under the MRA+10 provision are subject to a reduction of 5% for each year under age 62.
- Under DSR or early retirement, FERS employees would receive their FERS supplement if under age 62 once they reach their MRA.
- Employees with both CSRS and FERS service will have a reduction only for the CSRS portion of their annuity if under age 55.
- Special rules apply to the calculation of annuities of employees who have part-time service after 1986. ASC-HR Operations can give you more details.

16. How do I know if I have enough time in service to meet the requirements to retire? Although you can check your retirement service computation date (SCD) on your SF-50 (Notification of Personnel Action); on your yearly statement of benefits from NFC; or on NFC's Employee Personal Page (EPP); you should still check with your retirement specialist BEFORE you make a decision on accepting a VERA. They can provide you with a retirement calculation and verify that your retirement SCD is correct. Different types of appointments; types of federal service; or if you owe a deposit/redeposit can make a difference in your SCD. The rules are complicated and different depending on the retirement system you're covered under. **Don't just assume your service time is creditable.**

17. Where can I go to get an estimate of my annuity? You need to contact your servicing personnel office.

- 18. Where can I get more information on retirement benefits?** Click here <http://www.opm.gov/retire/index.aspx>. If you have questions or need additional information contact your agency Human Resources Benefits Division.
- 19. What is the effective date of my retirement/separation?** You may select the date of your retirement/separation, but it must be effective after the date of the VERA authorization and no later than the date the VERA expires.
- 20. Can I delay the date of my retirement?** No. An employee must retire by the date established for the VERA/VSIP window.
- 21. Can my retirement date be delayed by management?** Management may extend your separation date when there is a documented need to retain your skills and knowledge.
- 22. Can Veterans Preference be applied to be eligible for a VERA?** No. There is no preference for veterans under the VERA authority.